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Information

Fiscal Policy and Planning Committee

Update on the Proposed 2007-08 Governor's Budget

Executive Summary: This agenda item is intended to inform the Members of the Commission on the salient points of the Commission's portion of the proposed 2007-08 Governor's Budget released by Governor Arnold Schwarzenegger on January 10, 2007.

Recommended Action: For information only

Presenter: Crista Hill, Division Director, Fiscal and Business Services Section

Strategic Plan Goal:

Continue to refine the coordination between Commissioners and staff in carrying out the Commission's duties, roles and responsibilities.

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- ◆ Conduct periodic review of the efficiency of the day-to-day operations and financial accountability of the Commission

February 2007

Update on the Proposed 2007-08 Governor's Budget

Introduction

On January 10, 2007, Governor Arnold Schwarzenegger submitted to the Legislature his proposed budget for Fiscal Year (FY) 2007-08. This agenda item provides the salient points of the Commission on Teacher Credentialings' (Commission) portion of the Proposed FY 2007-08 Governor's Budget, as well as any new updates to the current FY 2006-07 budget.

Background

As required by the State Constitution, the proposed FY 2007-08 Governor's Budget was released by Governor Arnold Schwarzenegger on Wednesday, January 10, 2007. Overall the Commission's budget was sustained with adjustments for approved Budget Change Proposals submitted during the development process and other miscellaneous baseline adjustments. Provided below is a brief summary of the proposed FY 2007-08 adjustments. In addition, various excerpts from the 2007-08 Budget Summary have been provided to shed some light on the various adjustments reflected in the Commission's budget for FY 2007-08.

During the Spring, legislative hearings will occur with both the Assembly and Senate budget subcommittees. There are still opportunities to adjust the 2007-08 proposed budget. As new information becomes available Commission staff will keep members of the Commission apprised.

2007-08 COMMISSION'S BUDGET:

Highlights:

Policy Adjustment Description:

- Continue the transfer and reclassification of four (4.0) higher-level positions from Professional Services Division to create seven (7.0) positions in the Certification, Assignment and Waivers Division for an additional year to address the credentialing paper application workload. *(The provisional language reflects that this will expire June 30, 2008. It is important to note that as of January 16, 2007 the Commission staff has continued to diligently reduce the number of paper applications pending review to approximately 31,000. Of those applications pending review only 12 percent (3,720) are over the 75 working days regulatory processing time.)*
- Continue the 2.5 positions (1 Staff Information Systems Analyst, 1 Senior Information Systems Analyst, 0.5 Associate Governmental Program Analyst) and \$248,000 for the California Longitudinal Teacher Integrated Data Education System (Teacher Data System) 2nd year costs. *(This will be funded with Federal Funds via an interagency agreement with the California Department of Education. It is important to note that this reflects the 2nd year funding of the proposed four year project. The projected timeline reflects completion of the new system by 2009-10 with an estimated price-tag of approximately in total funding \$13,000,000.)*
- Increase of \$10,000,000 in General Fund local assistance funding for the new EnCorps Teacher Program. *(It is important to note that the enacting language for this program*

will be carried in a Trailer Bill. The funding for this program would not be available until the bill is signed, this generally occurs when the proposed Budget Act is passed and signed by the Governor. It is our understanding that the funding for this program will be available until June 30, 2009 and allocations are similar to the Alternative Certification program at a rate of \$2,500 per participant for FY 2007-08 and FY 2008-09.)

- Added Provisional Language to the Budget Bill to reflect the Paraprofessional Teacher Training Program per participant rate is now \$3,500 up from \$3,000 in FY 2005-06. *(The increase of \$500 was authorized in the 2006 Budget development process for FY 2006-07.)*

Baseline Adjustments Descriptions:

- Increase 2.0 positions (1 Consultant, 1 Associate Governmental Program Analyst) and \$237,000 for the Teaching Performance Assessment administrative costs to support this activity per SB 1209 (Chapter 517, Statutes of 2006).
- Increase Retirement and Employee Compensation by \$753,000 (Current Year), \$672,000 (Budget Year) *(Retirement Rate and Employee Compensation adjustment, annual technical adjustment based on the current retirement rate.)*
- Decrease ProRata assessment by -\$1,527,000 (Budget Year) *(This reflects the Commission's portion of the Statewide Administration General Fund recovery annual adjustment, i.e., Legislature, State Controllers, Department of Finance, cost recovery etc.)*
- Decrease one-time funds of -\$775,000 (Budget Year) for the Teaching Performance Assessment, Special Education Study, and Languages Exams template, included in the FY 2006-07 Budget. *(Programs expired/ended in 2006-07, technical adjustment to remove the associated expenditure authority.)*

Additional Comments:

At this time no new positions were included in the proposed budget for Accreditation, however it is our understanding that the Administration will address this issue in the Spring during the Spring Finance Letter process. Commission staff will provide updates as new developments occur.

In addition funding for the Beginning Teacher Support Assessment was increased as follows *(Please note that funding for this program is administered by the Department of Education.):*

- Approved an increase of \$8.8 million to support 27,863 participants for FY 2006-07.
- Added \$20.3 million in FY 2007-08 to support a total of 30,000 participants.

The Following Information Are Excerpts From The 2007-08 Budget Summary That Expand On The Various Adjustments Reflected In The Commission's Budget:

"The 2007-08 Governor's Budget fully funds the Proposition 98 guarantee, as well as a number of new education initiatives, even while realizing General Fund savings in Proposition 98 and the California State Teachers' Retirement System. Demonstrating the Administration's continuing commitment to improve California's public schools, the Governor's Budget proposes a number of new one-time and ongoing education initiatives. These proposals, along with the major education investments made by the Administration in the last three years, will continue to address the most pressing needs facing students and parents, including:

- Teacher shortages
- Transparent schoolsite information
- Career Technical Education
- Low performing schools
- Preparing students to graduate from high school
- Improving student health”

Reducing Credentialing Processing Backlog

“In order to resolve a backlog in applications that were well beyond the regulatory time limit of 75 days, the 2006-07 Budget redirected four existing professional positions in the Commission on Teacher Credentialing to create seven technical positions in its Credentialing, Assignments and Waivers Division. These positions have successfully reduced the backlog of more than 77,000 applications to just over 44,000 as of October 2006 and reduced the processing time to less than 75 days for both credential renewals and university recommended credentials for new teachers.”

As previously mentioned, as of January 16, 2007 the Commission staff has reduced the number of paper applications pending review to approximately 31,000 a reduction of 13,000 since October 2006. Of those applications pending review only 12 percent (3,720) are over the 75 working days regulatory processing time.

Addressing the Teacher Shortage - EnCorps Teachers

“As California continues to face a severe teacher shortage, it is crucial that we explore innovative avenues to increase the number of individuals entering the teaching profession, particularly in the subject areas of math, science and career technical education. One untapped pool of individuals with subject matter expertise in these areas is the 11 million Californians who will retire by 2008. As part of a broader effort to bolster supply, the Administration proposes \$10 million to create the EnCorps Teachers Program to add 2,000 experienced retirees to the teaching corps. The EnCorps Teachers Program would establish a public-private partnership with industry and business to actively recruit retiring professionals to the classroom. Professionals recruited by the EnCorps Teachers Program would be supported during the completion of the program by their current employer and use existing California teacher internship programs to acquire the pedagogy necessary to be effective instructional leaders.”

Teacher Credentialing Reforms - Expanding Career Technical Education

“In an ever evolving economy, Californians need multiple pathways to rewarding and productive careers. The Administration remains committed to expanding opportunities for high school and community college students to take high-quality, academically rigorous career technical education (CTE) courses. Since the Governor launched his CTE initiative in 2005, the state has made significant investments aimed at reinvigorating CTE programs. As a result of investments beginning in 2005-06, we have begun to restore the capacity and vitality of CTE programs. California is making significant progress in building CTE programs that will provide students with additional options and opportunities and help to meet the changing demands of California business and industry.

Currently there are 175 different credentials for teachers of career technical education (CTE). The large number of credentials reflects an attempt to identify all industries and trades

represented in California's K-12 instructional programs. This attempt to develop a comprehensive set of specialized credentials has had the negative effect of creating an overly complex and bureaucratic credential process for CTE teachers. To remedy this problem, the Administration proposes introducing legislation directing the Commission on Teacher Credentialing (CTC) to establish a more comprehensive list of authorized subjects for the designated subject preliminary and clear vocational education teaching credentials by September 30, 2007, based upon the 15 industry sectors identified in the California CTE model curriculum standards. Streamlining the CTE credential process will: 1) create incentives for CTE teachers by allowing them to move more easily across subject areas, making CTE teaching a more viable professional choice; 2) provide districts with added flexibility, making it easier for them to hire CTE teachers and expand CTE course offerings; and 3) create a more transparent and approachable credentialing process, thus assisting recruitment efforts."

At the November-December 2006 Commission meeting, the Commission took action to direct staff to review and update the Designated Subjects Vocational Educational Education Credential as appropriate. Please refer to the following link to review the agenda item:

<http://www.ctc.ca.gov/commission/agendas/2006-11/2006-11-7J.pdf>

Meeting California's Information Needs

"Timely and accurate information is increasingly critical in the education decision making process at all levels, from local schoolsite decisions to decisions made at the federal level and the Administration remains committed to enhancing the quality of data available on the state's student population and the teacher workforce. To support this effort, the Governor's Budget proposes \$2.5 million from state and federal funding sources to support state-level activities necessary to continue the development of the California Longitudinal Pupil Achievement Data System (CalPADS). The Governor's Budget proposes \$1.1 million in federal Title II funding to support state-level activities at both the Department of Education and the Commission on Teacher Credentialing to continue the development of the California Longitudinal Teacher Integrated Data Education System (CalTIDES)."

To view the complete 2007-08 Budget Summary, please use the following website <http://www.ebudget.ca.gov/BudgetSummary/BSS/BSS.html>. If you would like additional detailed information regarding the Proposed 2007-08 Governor's Budget you can visit the following website: <http://www.ebudget.ca.gov/>.